

CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2008

	July-08					Current FYTD		Prior Year FY08		3 Years Ended 6/30/2008		5 Years Ended 6/30/2008	
	Allocation		Returns-Month		Returns		Returns						
	Market Value	Actual	Policy(1)	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
LARGE CAP DOMESTIC EQUITY													
Structured Growth													
Los Angeles Capital	20,809,262	1.6%	1.5%	-1.16%	-1.18%	-1.16%	-1.18%	-7.57%	-7.79%	7.92%	7.68%	N/A	N/A
Total Structured Growth	20,809,262	1.6%	1.5%	-1.16%	-1.18%	-1.16%	-1.18%	-7.57%	-7.79%	7.92%	7.68%	9.81%	9.56%
Russell 1000 Growth				-1.90%	-1.90%	-1.90%	-1.90%	-5.96%	-5.96%	5.91%	5.91%	7.32%	7.32%
Structured Value													
LSV	18,501,984	1.4%	1.5%	-0.54%	-0.58%	-0.54%	-0.58%	-21.06%	-21.43%	4.24%	3.81%	12.00%	11.57%
Russell 1000 Value				-0.36%	-0.36%	-0.36%	-0.36%	-18.78%	-18.78%	3.53%	3.53%	8.92%	8.92%
Russell 1000 Enhanced Index													
Los Angeles Capital	40,243,011	3.0%	3.0%	-2.03%	-2.05%	-2.03%	-2.05%	-9.34%	-9.54%	7.20%	6.97%	N/A	N/A
Russell 1000				-1.16%	-1.16%	-1.16%	-1.16%	-12.36%	-12.36%	4.81%	4.81%	N/A	N/A
S&P 500 Enhanced Index													
Westridge	41,332,657	3.1%	3.0%	-0.69%	-0.73%	-0.69%	-0.73%	-11.80%	-12.18%	5.33%	4.98%	N/A	N/A
S&P 500				-0.84%	-0.84%	-0.84%	-0.84%	-13.12%	-13.12%	4.41%	4.41%	N/A	N/A
130/30													
State Street	13,441,783			-1.14%	-1.16%	-1.14%	-1.16%	-18.05%	-18.24%	3.31%	2.93%	6.91%	6.64%
Total 130/30	13,441,783	1.0%	1.0%	-1.14%	-1.16%	-1.14%	-1.16%	-18.05%	-18.24%	3.31%	2.93%	6.91%	6.64%
S&P 500				-0.84%	-0.84%	-0.84%	-0.84%	-13.12%	-13.12%	4.41%	4.41%	7.59%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	134,328,697	10.1%	10.1%	-1.19%	-1.22%	-1.19%	-1.22%	-12.42%	-12.71%	6.00%	5.68%	9.60%	9.31%
S&P 500				-0.84%	-0.84%	-0.84%	-0.84%	-13.12%	-13.12%	4.41%	4.41%	7.59%	7.59%
SMALL CAP DOMESTIC EQUITY													
Manager-of-Managers													
SEI	21,907,642	1.7%	1.7%	1.08%	0.99%	1.08%	0.99%	-20.05%	-20.93%	2.95%	2.06%	9.98%	9.10%
Russell 2000 + 200bp				3.87%	3.87%	3.87%	3.87%	-14.48%	-14.48%	5.88%	5.88%	12.50%	12.50%
Enhanced													
Research Affiliates	22,988,782	1.7%	1.7%	3.07%	2.98%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000				3.70%	3.70%	3.70%	3.70%	-16.19%	-16.19%				
TOTAL SMALL CAP DOMESTIC EQUITY	44,896,424	3.4%	3.4%	2.06%	1.97%	2.06%	1.97%	-20.26%	-21.14%	2.86%	1.97%	9.92%	9.04%
Russell 2000				3.70%	3.70%	3.70%	3.70%	-16.19%	-16.19%	3.79%	3.79%	10.29%	10.29%
INTERNATIONAL EQUITY													
Large Cap - Active													
Capital Guardian	37,699,278	2.8%	3.0%	-3.95%	-4.00%	-3.95%	-4.00%	-11.80%	-12.37%	12.88%	12.24%	14.97%	14.35%
LSV	36,931,444	2.8%	3.0%	-2.45%	-2.50%	-2.45%	-2.50%	-25.29%	-25.78%	7.92%	7.37%	N/A	N/A
Total Large Cap - Active	74,630,722	5.6%	6.1%	-3.21%	-3.27%	-3.21%	-3.27%	-18.75%	-19.29%	10.42%	9.83%	14.05%	13.46%
MSCI EAFE - 50% Hedged				-2.64%	-2.64%	-2.64%	-2.64%	-15.14%	-15.14%	10.93%	10.93%	14.67%	14.67%
Small Cap - Value													
DFA	8,768,902	0.7%	0.8%	-4.39%	-4.44%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Small Cap Value	8,768,902	0.7%	0.8%	-4.39%	-4.44%	-4.39%	-4.44%	-12.11%	-12.74%	10.13%	9.30%	18.15%	17.27%
S&P/Citigroup BMI EPAC < \$2BN				-4.30%	-4.30%	-4.30%	-4.30%	-25.49%	-25.49%	7.39%	7.39%	17.33%	17.33%
Small Cap - Growth													
Vanguard	8,530,315	0.6%	0.8%	-5.76%	-5.82%	-5.76%	-5.82%	-17.06%	-17.52%	12.30%	11.77%	20.87%	20.18%
Citigroup Broad Market Index < \$2BN				-4.30%	-4.30%	-4.30%	-4.30%	-25.49%	-25.49%	7.39%	7.39%	17.33%	17.33%
TOTAL INTERNATIONAL EQUITY	91,929,939	6.9%	7.6%	-3.57%	-3.62%	-3.57%	-3.62%	-18.31%	-18.83%	10.40%	9.79%	15.19%	14.56%
MSCI EAFE - 50% Hedged				-2.64%	-2.64%	-2.64%	-2.64%	-15.14%	-15.14%	10.93%	10.93%	14.67%	14.67%

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	Market Value	Allocation Actual	Policy(1)	Returns-Month Gross	Net	Returns Gross	Net	Returns Gross	Net	Gross	Net	Gross	Net
DOMESTIC FIXED INCOME													
Core Bond													
Western Asset	184,981,193	14.0%	14.9%	-1.76%	-1.78%	-1.76%	-1.78%	2.27%	2.06%	2.97%	2.76%	3.76%	3.55%
<i>Lehman Aggregate</i>				-0.08%	-0.08%	-0.08%	-0.08%	7.12%	7.12%	4.09%	4.09%	3.86%	3.86%
Mortgage Backed													
Hyperion	40,554,266	3.1%	3.8%	-7.97%	-8.02%	-7.97%	-8.02%	-19.73%	-20.24%	N/A	N/A	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-0.06%	-0.06%	-0.06%	-0.06%	10.14%	10.14%				
Core Plus/Enhanced													
<i>Clifton Group</i>	54,435,207	4.1%	3.8%	0.56%	0.45%	0.56%	0.45%	11.68%	10.17%	N/A	N/A	N/A	N/A
<i>Prudential</i>	54,267,271	4.1%	3.8%	-0.22%	-0.24%	-0.22%	-0.24%	5.20%	4.89%	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	108,702,478	8.2%	7.7%	0.17%	0.10%	0.17%	0.10%	8.45%	7.55%	N/A	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.08%	-0.08%	-0.08%	-0.08%	7.12%	7.12%				
Index													
<i>Bank of ND</i>	95,064,337	7.2%	6.7%	0.08%	0.07%	0.08%	0.07%	7.75%	7.68%	3.99%	3.93%	3.34%	3.28%
Total Index	95,064,337	7.2%	6.7%	0.08%	0.07%	0.08%	0.07%	7.75%	7.68%	4.04%	3.97%	3.40%	3.24%
<i>Lehman Gov/Credit (2)</i>				0.00%	0.00%	0.00%	0.00%	7.24%	7.24%	3.84%	3.84%	3.24%	3.24%
BBB Average Quality													
Wells Capital (formerly Strong)	189,551,823	14.3%	14.9%	-0.57%	-0.59%	-0.57%	-0.59%	3.76%	3.55%	3.26%	3.04%	4.08%	3.85%
<i>Lehman US Credit Baa</i>				-0.67%	-0.67%	-0.67%	-0.67%	2.62%	2.62%	2.52%	2.52%	3.59%	3.59%
TOTAL DOMESTIC FIXED INCOME	618,854,097	46.7%	48.1%	-1.21%	-1.24%	-1.21%	-1.24%	2.65%	2.32%	2.86%	2.64%	3.39%	3.22%
<i>Lehman Aggregate (3)</i>				-0.08%	-0.08%	-0.08%	-0.08%	7.12%	7.12%	4.09%	4.09%	3.73%	3.73%
INFLATION PROTECTED ASSETS													
<i>Northern Trust Global Investments</i>	142,932,235	10.8%	10.0%	-0.45%	-0.45%	-0.45%	-0.45%	15.69%	15.69%	5.82%	5.79%	N/A	N/A
<i>Western</i>	140,275,900	10.6%	10.0%	-1.33%	-1.33%	-1.33%	-1.33%	12.38%	12.34%	4.47%	4.42%	N/A	N/A
TOTAL INFLATION PROTECTED ASSETS	283,208,135	21.4%	20.0%	-0.88%	-0.89%	-0.88%	-0.89%	14.03%	14.00%	5.14%	5.10%	N/A	N/A
<i>LB US TIPS Index</i>				-0.51%	-0.51%	-0.51%	-0.51%	15.10%	15.10%	5.62%	5.62%	N/A	N/A
REAL ESTATE													
JP Morgan	84,217,750	6.4%	5.4%	0.00%	-0.12%	0.00%	-0.12%	0.61%	-0.77%	N/A	N/A	N/A	N/A
<i>NCREIF Total Index</i>				0.19%	0.19%	0.19%	0.19%	9.20%	9.20%	14.82%	14.82%	N/A	N/A
CASH EQUIVALENTS													
Bank of ND	68,379,776	5.2%	5.5%	0.16%	0.16%	0.16%	0.16%	3.43%	3.43%	4.10%	4.10%	3.38%	3.38%
<i>90 Day T-Bill</i>				0.18%	0.18%	0.18%	0.18%	3.63%	3.63%	4.27%	4.27%	3.18%	3.18%
TOTAL INSURANCE TRUST	1,325,814,818	100.0%	100.0%	-1.05%	-1.08%	-1.05%	-1.08%	0.68%	0.32%	4.96%	4.66%	6.34%	6.08%
POLICY TARGET BENCHMARK				-0.28%	-0.28%	-0.28%	-0.28%	3.94%	3.94%	5.71%	5.71%	6.47%	6.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(3) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.